



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 9TH SEPTEMBER 2019

DOMESTIC NEWS

The Kenya shilling erased some of its previous day's losses in Friday's trading session to close stronger versus the dollar. The home unit traded sluggishly early in the session with most players having lightened their foreign currency positions and remaining on the sidelines ahead of the weekend. Later in the day however, an uptick in supply of the greenback gave the local currency a boost, to end the day higher than previous close. By close of trade, the local currency stood at 103.70/90, as compared to Thursday's close of 103.85/05.

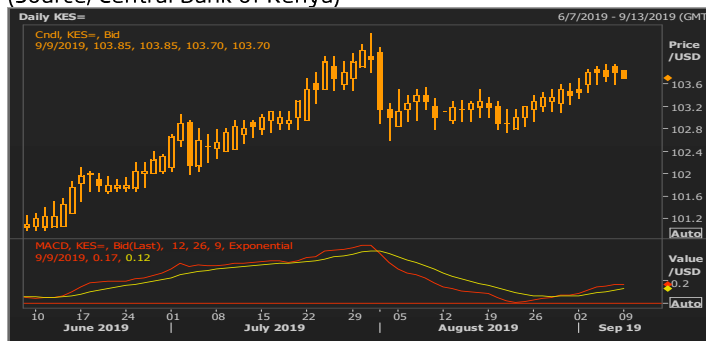
In the new week, it remains to be seen whether the local unit will continue trading with its newly found vigor in the near term. Our expectation is that the USDKES pair will remain within the top end of the recent range, barring any change in fundamentals. Moreover, the pair's movement will continue to be flow driven. In other news, the monetary authority mopped up KES 5B in excess liquidity at a weighted average rate of 8.334% in the 7-day repo.

Indicative Forex rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	100.30	107.30	101.30	106.30
GBP/KES	123.40	131.40	123.90	130.90
EUR/KES	110.95	117.95	111.45	117.45
AED/KES	26.76	29.76	26.76	29.76

Money Market Rates	Current	Previous	Change
Interbank Rate	6.107%	5.868%	0.239
91-Day T-bill	6.375%	6.385%	-0.010
182-Day T-Bill	6.995%	7.011%	-0.016
364-Day T-Bill	9.520%	9.392%	0.128
Inflation	5.000%	6.270%	-1.270
CBR RATE	9.00%	9.00%	0.000

(Source: Central Bank of Kenya)



(Source: Reuters)

INTERNATIONAL NEWS

The U.S. dollar fell on Friday after the economy added fewer jobs than expected in August, in what analysts took as a sign that the economy remains near to full employment. Nonfarm payrolls came in at 130,000 in August, the Labor Department reported, which was much less than the 160,000 expected. In the meantime, the White House economic adviser on Friday cautioned that the trade conflict could take years to resolve and declined to predict outcomes of high-level talks between U.S. and Chinese officials in early October.

The GBP/USD tumbled to 1.2306, after the High Court in London ruled that Prime Minister Boris Johnson's attempt to close parliament next week was legal. The ruling is expected to be appealed in the Supreme Court but increases uncertainty about whether the U.K. will leave the EU on Oct. 31 with or without a deal. Lawmakers took control of Parliament this week, and denied Johnson's request for a snap election, voting to force Johnson to put off Brexit for the third time.

The euro was at 1.1028 on Friday, ahead of a European Central Bank meeting later this week at which policymakers are expected to deliver new stimulus to bolster a flagging regional economy. Data due later Monday on German exports could provide further clues about the health of the global economy.

The Japanese yen traded down at 106.85. Japan's economy grew by 1.3% between April and June, according to data from the Cabinet Office released today.

Elsewhere, global oil prices rose to \$61.61, on Monday after a Saudi official said there would be no change in Saudi Arabia's OPEC policy as Prince Abdulaziz bin Salman was made the new energy minister for the world's biggest crude exporter over the weekend.

Indicative Profit Rates on Deposits

	Amounts > 10 Million		Amounts >100,000	
	KES		USD	
2 Weeks	6.50%	2.00%		
1 Month	7.00%	2.50%		
3 Months	8.00%	2.75%		
6 Months	8.50%	3.50%		
1 year	9.00%	3.75%		

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.1000	1.1210
GBP/USD	1.2200	1.2320
USD/AED	3.6675	3.6775
USD/JPY	106.30	107.50

For more details, contact our Treasury staff- Peter, Michael and Loryne on Tel +254 20 5131311, DL +254 20 513 1351/52, Cell +254 709913351/52. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.